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**UNITED STATES BANKRUPTCY COURT**  
**DISTRICT OF NEVADA**

In re:  
  
THE RHODES COMPANIES, LLC, aka  
"Rhodes Homes," et al.,

Reorganized Debtors

☒ Affects all Debtors

☐ Affects the following Debtors

Case No.: 09-14814-LBR  
(Jointly Administered)

Chapter 11

**JAMES M. RHODES' REPLY  
MEMORANDUM IN SUPPORT OF  
OPPOSITION TO REORGANIZED  
DEBTORS' OBJECTION TO THE  
GREENWAY PARTNERS CLAIM  
FOUND IN PROOF OF CLAIM  
NO. 814-33 AND NOTICE OF  
AMENDMENT OF SCHEDULES OF  
ASSETS AND LIABILITIES**

Hearing Date: August 2, 2011  
Hearing Time: 9:30 a.m.  
Place: Courtroom 1

James M. Rhodes ("**Rhodes**"), through counsel, respectfully submits this *Reply Memorandum in Support of Opposition to Reorganized Debtors' Objection to the Greenway Partners Claim Found in Proof of Claim No. 814-33 and Notice of Amendment of Schedules of Assets and Liabilities*.

The simultaneous exchange of briefs on the Remaining Claims has resulted in some asymmetry in the briefing. The Reorganized Debtors' complaint that Rhodes had not

1 substantiated the Greenway Partners Claim fails to consider his supplemental memorandum and  
2 the Declaration of Paul Huygens, filed on July 19, 2011.

3 **The Greenway Partners Claim**

4 There is nothing in the facts presented that supports the Reorganized Debtors' assertion  
5 that the Greenway Partners payment was "voluntary and independent decision" by Rhodes to pay  
6 a portion of the salaries owed to Chin, Coyne and another employee named Chris Stephens "at his  
7 own expense." This is not a case where the payments were for personal services rendered to  
8 Rhodes. As repeatedly explained – and verified by the independent Main Amundson Report – the  
9 payments were at the direction of the Debtor Entities for legitimate business reasons to avoid a  
10 disruptive conflict in the offices related to the amount of compensation. (Rhodes Declaration,  
11 ¶ 8; Main Amundson Report at 4.)

12 The Reorganized Debtors continue to clamor for more evidence. The testimony from the  
13 Debtor Entities' CEO, president and sole director should be adequate. There is no basis to  
14 discount this uncontroverted testimony that is substantiated by the Main Amundson Report.

15 **The Scheduled Claims**

16 The Reorganized Debtors make no attempt to analyze or dissect the evidence presented in  
17 Rhodes' Supplemental Memorandum or the Huygens Declaration and its attachments. A careful  
18 review will substantiate the amounts set forth in the Proof of Claim.

19 **CONCLUSION**

20 For the reasons stated in Rhodes' Supplemental Memorandum, the Huygens Declaration  
21 and its attachments, and above, Rhodes respectfully requests that this Court enter an order  
22 (i) denying the Reorganized Debtors' objection to the Greenway Partners Claim, and  
23 (ii) disallowing the Reorganized Debtors' amendments to the Scheduled Claims.  
24  
25  
26

1 DATED this 26<sup>th</sup> day of July, 2011.

3 /s/ Kevin N. Anderson

4 Kevin N. Anderson

5 FABIAN & CLENDENIN

6 Attorneys for James M. Rhodes

8 4821-3047-0410, v. 1